

AN ACT

Authorizing the Secretary of the Treasury to borrow specie to be applied to the redemption and reduction of the currency.

1. The Congress of the Confederate States of America do enact, That the Secretary of the Treasury be and he is hereby authorized to borrow, from any banks, or other corporations, companies, partnerships or individuals, specie to an amount not exceeding thirty millions of dollars.

2. The said Secretary shall issue to each lender a bond or bonds of the Confederate States for the repayment of the amount of specie lent, within _____ years after the ratification of a treaty of peace with the United States, which said bonds shall bear interest at the rate of six per centum per annum, payable semi-annually in specie.

3. The specie so borrowed shall be employed by the said Secretary in purchasing the outstanding treasury notes of the Confederate States, at such times and upon such terms as shall be prescribed by the said Secretary, by regulations to be made and published by him from time to time for that purpose.

4. The said Secretary shall cause the treasury notes so purchased to be cancelled, and shall issue, to an amount equal to that of the notes cancelled, title certificates of the Confederate States, such as are authorized to be issued by the provisions of the act approved the _____ day of _____ 1864, entitled "an act to provide more effectually for the reduction and redemption of the currency."

5. The title certificates so issued shall be hypothecated by the said Secretary as security for the redemption of the specie bonds to be issued under the second section of this act; and a ratable share of such certificates shall be allotted to each bank or other holder of the specie bonds aforesaid.

6. The said Secretary shall have the option to pay the interest upon such hypothecated certificates, in lieu of paying the interest upon the said specie bonds. He shall also have the option to pay the said bonds and redeem the said certificates at any time before the period of payment mentioned in the said bonds.

7. Any State in the Confederacy shall have the right, before the loans made by the banks of such State under the provisions of this act shall have become payable, to assume the obligation of the Confederate States to make such repayment; and in case of such assumption, the specie bonds issued for such loans shall be cancelled and returned to the Secretary of the Treasury, who shall thereupon transfer to such State the certificates hypothecated for the redemption of the bonds so cancelled and returned.

8. This act shall commence and be in force from and after the passing thereof.

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